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December 11, 2003

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Oral Ex Parte Communication, CC Docket No. 99-273

Dear Ms. Dortch:

This letter is being filed to notify you that on December 10, 2003, Lois Pines, Gerard J. Waldron and the undersigned, on behalf of InfoNXX, Inc., met separately with Matthew Brill, Legal Advisor to Commissioner Abernathy, and with Carol Mattey and Cheryl Callahan of the Wireline Competition Bureau, to discuss the attached presentation.

To clarify the information in the presentation concerning the effects of competition on directory assistance services in the U.K., we would like to note that 30p (plus tax) is the lowest price among the widely-used 118XXX services; some smaller competitors are offering services at rates as low as 20p (for business customers). It is also worthwhile to note that the quality of the directory assistance services currently available in the U.K. (including those of the incumbent) is markedly improved over the service provided by the incumbent prior to the introduction of competition.

Please address any questions to the undersigned.

Sincerely,

Mary Newcomer Williams

Attorney for InfoNXX, Inc.

cc: Commissioner Kathleen Abernathy
Mr. Matthew Brill
Ms. Carol Mattey
Ms. Cheryl Callahan

FCC Retail DA Proceeding InfoNXX, Inc.

December 10, 2003

FCC Retail DA Proceeding

Who Is InfoNXX?

InfoNXX, a privately-held company founded in 1992 and headquartered in Bethlehem, PA, is emerging as a major global directory assistance service provider.

U.S. wholesale competitive DA provider serving wireless carriers and competitive local exchange carriers. Services include free “call completion” connecting the caller to the requested number, movie listings, restaurant reservations, driving directions and other “enhanced” information services.

U.K. subsidiary – The Number UK – has emerged as a market leader in the newly-competitive UK directory enquiries market, offering enhanced, high-quality services.

Committed to innovative service offerings and high quality customer service, including use of live operators.

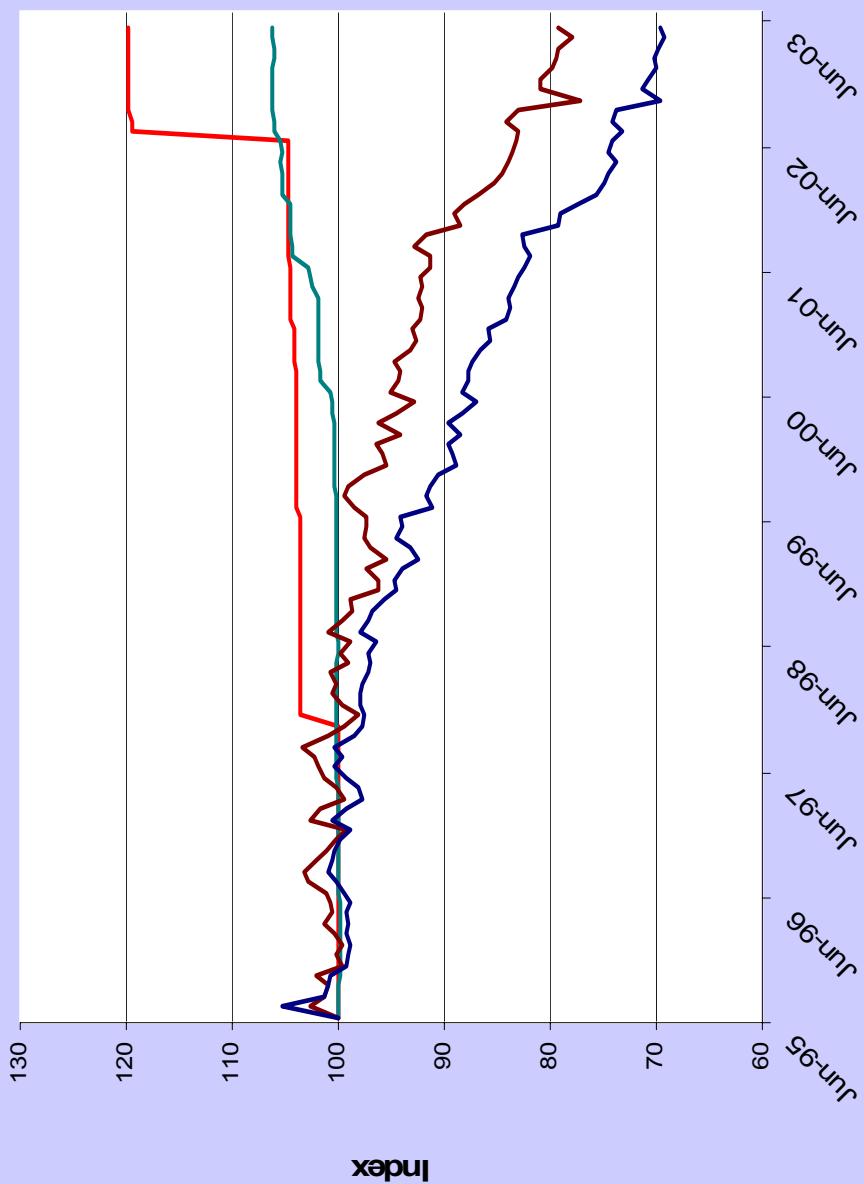
FCC Retail DA Proceeding

FCC Action To Promote Wireline Retail DA Competition Is Long Overdue

- 1996 Telecom Act sought to promote competition in *all* telecommunications markets
- The \$5 billion wireline DA sector has been left out of the FCC's pro-competitive efforts
 - Wireline DA is still controlled almost exclusively (through 411) by LECs; nonlocal DA products through 411 have *tightened* LEC control of the wireline retail DA market
 - Wireline DA prices have been *increasing* since the 1996 Act

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Producer Price Indices for Telecommunications



Source: Keith Brown, Industry Analysis and Technology Division, FCC, Reference Book of Rates, Price Indices, and Household Expenditures for Telephone Service (July 2002). Supplemented by BLS, Producer Price Index Revision-Current Series (June 2003). February through May 2003 are preliminary and subject to revision. The PPI for Directory Assistance (DA) (BLS 4813#11401) represents the selling prices that LECs receive for providing DA ("411") to their customers. The index does not differentiate between local and national DA provided by a LEC. The index is sensitive to the number of "free" inquiries permitted by a LEC – i.e., if a customer consistently makes five DA calls per month and the number of permitted "free" inquiries per month declines, the index would show an increase in price.

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Benefits Of Retail DA Competition: U.S. Wholesale and U.K. Experience

- Improved Service Quality: Competitive wholesale DA providers in the U.S. consistently offer higher service quality than incumbent wireline providers (Paisley Research).
- Diverse Offerings: UK consumers can now choose among at least 16 different DA offerings; a variety of services (including enhanced and foreign language services) are available at a range of prices (including flat-fee and per-minute offerings).
- Enhanced Services: U.S. competitive DA providers pioneered services such as free call completion, driving directions, movie listings, restaurant reservations, Spanish-language DA, stock quotes and sports scores. InfoNXX's The Number UK offers business search, category search, mobile text-messaging of a number, call connection, driving directions and public transportation information.
- Lower Prices: In the UK, BT's price for a DA call has fallen from 40p prior to the introduction of competition to 35p after competition; the lowest price offering currently available is 30p per call.
- Investment/Economic Growth: In the U.K., tens of millions of pounds were invested in new DA services, supporting the beleaguered telecom market and benefiting equipment suppliers, the marketing sector and consumers

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Wireline Retail DA NPRM: Essential Questions

1. Can the retail DA market sustain competition?
2. Will consumers respond to DA competition?
3. How best can the FCC bring retail DA competition to this sector of the telecommunications industry?

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The U.K. Experience: Consumers Are Making The Transition

- Massive marketing campaigns have made consumers aware of the transition from the traditional 192 service (eliminated 08/24/03) to new 118XXX services.
- According to an October 2003 survey by British regulators, 9 of 10 UK consumers were aware of the changes to DA services.
- By October 2003 (just 2 months after elimination of 192), about 4 in 10 consumers (8 in 10 frequent users) had tried one of the new 118XXX services. About one-third of consumers were aware of new enhanced services; about 4 in 10 consumers aware of the new services expressed an interest in using them while 1 in 10 had already made use of an enhanced service.

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The U.K. Experience: Consumers Will Dial New Numbers to Access New Services

- The most popular new services are those offering something that was not available from 192 – lower price, higher quality, or enhanced services
- Call completion has been the most popular enhancement; consumers have responded most favorably to services offering competitive rates for call completion
- The service that has realized the greatest increases in call volume is based on offering greater enhancements and higher service quality

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The European Experience: “Real” Numbering Parity Is The Key

- European regulators (in U.K., Germany, Ireland, Sweden, Norway, Spain) have learned that removing the incumbent default code and ensuring that all DA providers have numbers of equal pattern and length is essential to create effective competition and spur new investment.
 - Without elimination of the default code, The Number UK would not have invested in the UK market because the incumbent's advantage would have been too great for a competitor to overcome
 - Elimination of default code creates the dynamic that encourages consumers to pursue new alternatives
- Some countries that initially preserved an incumbent dialing advantage have learned that true numbering parity is a precondition to effective competition. Thus, Spain has changed its regulatory regime for the second time in only a few years. The Netherlands is in the process of reviewing its regulations and is expected to require numbering parity.

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Other European Models Have Not Yielded Effective Competition

- European models lacking true numbering parity between incumbents and competitive entrants have failed to yield effective competition:
 - Switzerland and France introduced new number ranges for competitors while retaining the incumbent default code.
 - Denmark and Portugal reserved shorter access codes for incumbents and gave competitors longer codes.
 - Belgium and Greece required competitors to offer DA service only via premium-rate numbers, while incumbents retained their short default code.
- In each instance, after an initial surge to competitive services, competition has faded as consumers return to the shorter incumbent code.

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MCI, InfoNXX and Telegate Agree: 555 Numbers For All Providers – A Workable Solution

MCI, InfoNXX and Telegate agree that implementation of 555 numbers for all retail DA providers is the way to bring effective competition to the U.S. retail DA market.

- Elimination of the US default codes – 411 & 555-1212 – is a prerequisite to competition.
- Consumers will readily adapt to using 555 numbers. They are already familiar with the use of 555 numbers for information services.
- ILECs already route 555 numbers – therefore, a 555 solution would not be administratively or technically burdensome.
- Eight years ago, the Commission adopted a decision that entities other than LECs should be able to use national and regional 555 numbers.

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555 Numbers Offer an Economical and Technically Feasible Alternative

- Digit Analysis & Translation: 555-XXXX numbers need not be translated and routed directly from the end office switch. The end office switch could perform 3- or 6-digit analysis to identify 555 numbers, which would then be routed to a centralized Access or Local Tandem for full digit translation and routing.
- Call Routing: Once a 555 number is translated, the network switch would route the call to the POP, PIC or local termination point specified by the number holder.
- Signaling: Where needed, information for billing and routing of 555 calls could be transmitted with the call using the Feature Group D signaling protocol. For intralATA toll and local calls, the SS7 signaling network could transmit the Calling Number Identification of the calling party.
- LECs currently provide the type of digit translation, call routing and signaling functions necessary to route 555 calls. These functions can be implemented for 555 numbers without undue burden or expense.

Source: ATIS/INC, 555 Technical Service Interconnection Arrangements and Baird Affidavit (InfoNXX Reply Comments, Apr. 30, 2002)